



**PRESS OFFICE** Tel. +39.040.671180 - Tel. +39.040.671085 [press@generali.com](mailto:press@generali.com)  
**INVESTOR RELATIONS** Tel. +39.040.671202 - Tel. +39.040.671347 - [generali\\_ir@generali.com](mailto:generali_ir@generali.com)  
[www.generali.com](http://www.generali.com)

CONSOLIDATED RESULTS<sup>1</sup> AT 31 MARCH 2009

**Generali Group: a positive first quarter with premiums at € 18.5 billion (+0.3%). Net profit at € 104 million after gross impairments of € 1.5 billion due to the stock market decline in the first three months**

#### Production and profitability buoyed by solid business mix and geographical diversification

- » Non-Life premiums € 6.6 billion (+3.4%)
- » Life premiums € 11.9 billion (-1.4%); positive life net inflows at € 3.2 billion<sup>2</sup>
- » Overall operating result € 1,009 million (-12.7%)
- » Combined ratio at 96.3% from 93.1%, due to higher loss ratio in Motor sector and storm damages

#### Focus on Group operating efficiency

- » Administrative expenses decreased by 1.1% on a like-for-like basis

#### Robust financial strength

- » Solvency I ratio at 123%, in line with 2008 year-end
- » Shareholders' equity € 11 billion from € 11.3 billion at the end of 2008

Commenting on the results, Assicurazioni Generali Chairman **Antoine Bernheim** said: *"In a quarter exposed to the full force of a deepening world recession, Generali posted an improvement in results from the fourth quarter of 2008, demonstrating our ability to respond to what is clearly a lengthy crisis. In a situation where it is difficult to forecast future economic trends Generali's capability to sustain premium income and levels of technical profitability is encouraging. I am sure that, together with our determination to put in place the measures needed to guarantee satisfactory profitability, this will enable us to emerge from this crisis in a stronger position."*

---

<sup>1</sup> The quarterly report and presentation of results are available on the website [www.generali.com](http://www.generali.com).  
Conference call on results at 31 March 2009 at 16:00 hours (CET) on: +39 028058827

<sup>2</sup> Premiums for the period less surrenders and maturities

Milan, 13 May 2009. At a meeting today chaired by Antoine Bernheim, the Board of Directors of Assicurazioni Generali approved the quarterly report at 31 March 2009.

The results at 31 March 2009 confirm the effectiveness and solidity of Generali's business model. Despite the severe repercussions of the worsening recession on the insurance industry, the first quarter was a positive period for the Group, which made significant progress compared with the fourth quarter of 2008. Generali reported healthy production levels on a par with the year-earlier period and a net profit of € 103.8 million, despite overall gross impairments totalling € 1.5 billion which reflected the further dramatic fall in share prices in the first three months of 2009. Generali's solidity was also confirmed by its **Solvency I ratio of 123%**, stable compared to 2008 year-end.

**Aggregate gross premiums written** rose by 0.3% from the first quarter of 2008 to € 18,479 million (-2.7% on a like-for-like basis), thanks to healthy performance in Non-Life premiums (+3.4%) driven by the non-motor lines, a Life business mix focused more specifically on traditional products offering guaranteed yields and savings products, and the Group's geographical diversification, with significant contributions from Central Eastern Europe and China.

**In terms of profitability**, the Group reported an operating result of € 1,009 million, down 12.7% from € 1,155 million at 31 March 2008, but up on the fourth quarter of 2008. The decrease stemmed from the crisis in equity markets and from the effects of the recession. The Non-Life operating result decreased on a worsening loss ratio in the motor sector and storm damage claims in France and Spain of approximately € 50 million on a net basis.

**Looking at costs**, the Group continued its re-organisation programs to generate synergies. Administrative expenses related to insurance core business and holding expenses, were € 633 million, down 1.1% on a like-for-like basis compared to the first quarter of 2008. In particular, holding expenses decreased in the quarter by 17.6% on a like-for-like basis to € 62.7 million. The improvement in operating efficiency is reflected in the stability of administrative expenses to net premiums at 3.4% (3.2% in the first quarter of 2008; 3.5% at the end of 2008).

**The Group's investment policy** continues to be focused prudent management aimed at maintaining an appropriate balance between risk and medium/long-term profitability, including the dynamic use of derivatives to hedge investments in equities and bonds. Investments where risk is borne by the company stood at a total of € 286 billion, with fixed-income financial instruments accounting for 81.7% of investments, equity securities for 6.6% (4.7% net of hedging), real estate for 5.1% and other investments for 6.6%.

**Net profit for the period** was € 103.8 million, compared with € 910.3 million in the year-earlier period (-88.6%). Earnings in the first quarter of 2008 benefited from a non-recurring gain of € 281 million after the transfer of insurance operations in Central Eastern Europe to Generali PPF Holding.

## » Outlook

Given current conditions, the Group's objective is to contain the decline in Non-Life technical margins through specific actions on policy rates and further improvements in operating efficiency. With regard to investment policy, in the current macroeconomic context the Group will maintain prudent asset allocation. The high volatility of financial markets and the current macroeconomic situation make it difficult to provide reliable full-year guidance.

## » Performance by line of business

### Life segment

**Life aggregate premiums** amounted to € 11,889 million from € 12,058 million in the first quarter of 2008 (-1.4%; -3.7% on a like-for-like basis). The performance reflected the positive effect of healthy growth in traditional and savings products in Germany (+6.6%), Spain (+8.8%) and China (+205%; +153% on a like-for-like basis). Italy, meanwhile, reported a downturn (-9.5%), due in particular to the slowdown in the financial advisor channel. A positive contribution came from the agency channel with growth of 2.3%. The downturn reported in France (-7.9%) stemmed from the decline in unit-linked products that characterise the French market.

**New production in terms of APE** was € 1,196 million, a decrease of 12.4% (-13.5% on a like-for-like basis), despite the profound differences in the economic scenario compared to the first quarter of 2008. In addition, in Germany APE production in 2008 was assisted by significant growth in Riester pension policies as a result of the increase in the state contribution. Net of the Riester component, the APE reduction on a like-for-like basis was 6%. **Life net inflows**, reflecting premium inflows for the quarter less surrenders and maturities, remained positive at € 3,184 million, thanks in part to the reduction in surrenders.

**The Life operating result** was € 563 million, down 4% from 31 March 2008, a result reflecting the impact of trends in the financial markets.

**Life net technical reserves**, including investment contracts, were substantially stable at € 284 billion (+0.3% from the end of 2008), despite the poor performance of the financial markets described above. In particular, **life traditional reserves** grew by 1.1% to € 244 billion.

### Non-Life segment

**Non-Life aggregate premiums** gained 3.4% to reach € 6,590 million (-0.8% on a like-for-like basis), with positive contributions from France (+1.5%) and Central Eastern Europe (+86.7%). Premiums fell in Italy, Germany and Spain chiefly in the motor sector where competitive pressure on policy rates remained high and the number of new vehicle registrations decreased.

**The combined ratio** was 96.3% (93.1% in the year-earlier period). The increase was mainly due to the rise in the loss ratio in the Group's main countries and claims for storm damage in France and Spain. The trend was offset only in part by the improvement in Central Eastern Europe and Austria. The overall loss ratio rose to 68.8% (66% at 31 March 2008).

**The Non-Life operating result** was € 449 million (-21.1% from 31 March 2008). The decrease arose almost entirely from the combined ratio trend, which reflected the impact of the worsening loss ratio described above.

**The net reserving ratio** (total net reserves/net retained premiums) was 508.2%, in line with the first quarter of 2008. On a like-for-like basis the ratio is 13 p.p. higher than the same period of 2008.

### Financial services

The operating result in Financial Services was € 92.4 million (+2.9%), a result reflecting the improvement in financial operations. Specifically, in Italy the Banca Generali group increased its operating result thanks to an improvement in trading operations, while in

Switzerland the BSI group boosted its operating result thanks to a positive contribution from net interest income. In Germany, the operating result of Badenia Bausparkasse was substantially stable.

In Asset Management, assets under management totalled € 353,683 million, little changed from the end of 2008. Asset Management operations account for the bulk of the Financial Services business and are mainly concerned with management of the financial instruments of the Group companies.

*The manager in charge of preparing the company's financial reports, Mr Raffaele Agrusti, declares, pursuant to paragraph 2 article 154-bis of the Consolidated Law on Finance, that the accounting information in this press release corresponds to the document results, books and accounting entries.*

The date of approval of the 2009 half-year results has been brought forward to 31 July.

Attachments: highlights and the consolidated profit & loss account and balance sheet.

## Group highlights

| (€ million)  | 31/03/2009     | 31/03/2008     |
|--|----------------|----------------|
| <b>Result of the period</b>  | <b>103.8</b>   | <b>910.3</b>   |
| <b>Operating result</b>  | <b>1,008.9</b> | <b>1,155.3</b> |
| Net earned premiums  | 16,129.1       | 16,257.1       |
| Premiums related to investment contracts                               | 606.6          | 410.3          |
| Net earned premiums including premiums related to investment contracts | 16,735.6       | 16,667.5       |
| Gross premiums written   | 18,479.2       | 18,429.2       |
| Change on equivalent terms <sup>(*)</sup>                              | -2.7%          | 0.8%           |
| Acquisition and administration costs related to insurance business     | 2,681.8        | 2,631.0        |
| Expense ratio  | 16.0%          | 15.8%          |
| <b>Operating result - life segment <sup>(**)</sup></b>                 | <b>562.9</b>   | <b>586.1</b>   |
| Net life premiums  | 11,116.4       | 11,477.1       |
| Premiums related to investment contracts                               | 606.6          | 410.3          |
| Net life premiums including premiums related to investment contracts   | 11,722.9       | 11,887.4       |
| Gross life premiums written  | 11,889.1       | 12,058.0       |
| Change on equivalent terms <sup>(*)</sup>                              | -3.7%          | -0.3%          |
| Acquisition and administration costs - life segment                    | 1,304.7        | 1,337.7        |
| Expense ratio - life segment   | 11.1%          | 11.3%          |
| APE  | 1,195.8        | 1,364.8        |
| Change on equivalent terms <sup>(***)</sup>                            | -13.5%         | 17.0%          |
| <b>Operating result - non-life segment <sup>(**)</sup></b>             | <b>448.9</b>   | <b>568.7</b>   |
| Net non-life earned premiums   | 5,012.7        | 4,780.0        |
| Gross non-life premiums written  | 6,590.1        | 6,371.2        |
| Change on equivalent terms <sup>(*)</sup>                              | -0.8%          | 2.8%           |
| Acquisition and administration costs - non-life segment                | 1,377.0        | 1,293.2        |
| Expense ratio - non-life segment                                       | 27.5%          | 27.1%          |
| Loss ratio - non-life segment  | 68.8%          | 66.0%          |
| Combined ratio - non-life segment                                      | 96.3%          | 93.1%          |
| <b>Operating result - financial segment <sup>(**)</sup></b>            | <b>92.4</b>    | <b>89.8</b>    |
| Total income - financial segment                                       | 468.1          | 549.2          |
| Total expenses - financial segment                                     | 394.5          | 462.4          |

| (€ million)  | 31/03/2009 | 31/12/2008 |
|--|------------|------------|
| Investments  | 326,430.7  | 327,134.9  |
| Net insurance provisions <sup>(1)</sup>                          | 296,430.7  | 295,755.3  |
| Net insurance provisions - life segment <sup>(1)</sup>           | 265,787.8  | 266,509.3  |
| Net insurance provisions - non-life segment <sup>(1)</sup>       | 30,642.8   | 29,246.0   |
| Provisions for outstanding claims and other insurance provisions | 24,228.3   | 23,925.8   |
| Provisions for unearned premiums                                 | 6,414.6    | 5,320.2    |
| Shareholders' equity attributable to the Group <sup>(2)</sup>    | 11,013.1   | 11,312.8   |

(\*) On equivalent terms: on equivalent exchange rates and consolidation area compared to the same period of the previous financial year, and taking into account premiums related to investment contracts.

(\*\*) The amounts are calculated gross of consolidation adjustments.

(\*\*\*) On equivalent terms: on equivalent exchange rates, consolidation area and share attributable to the Group.

(1) The amounts are calculated net of consolidation adjustments.

(2) The result of the period is included in shareholders' equity attributable to the Group.

## BALANCE SHEET - ASSETS

|          |  | 31/03/2009       | 31/12/2008       |
|----------|--|------------------|------------------|
| <b>1</b> | <b>INTANGIBLE ASSETS</b>   | <b>9,154.2</b>   | <b>9,293.0</b>   |
| 1.1      | Goodwill   | 5,739.1          | 5,739.1          |
| 1.2      | Other intangible assets  | 3,415.1          | 3,553.9          |
| <b>2</b> | <b>TANGIBLE ASSETS</b>   | <b>3,819.5</b>   | <b>3,792.7</b>   |
| 2.1      | Land and buildings (self used)   | 3,262.7          | 3,235.5          |
| 2.2      | Other tangible assets  | 556.8            | 557.2            |
| <b>3</b> | <b>AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS</b>   | <b>5,960.2</b>   | <b>6,005.5</b>   |
| <b>4</b> | <b>INVESTMENTS</b>   | <b>326,430.7</b> | <b>327,134.9</b> |
| 4.1      | Land and buildings (investment properties)   | 12,383.1         | 12,473.3         |
| 4.2      | Investments in subsidiaries, associated companies and joint ventures   | 2,544.6          | 2,568.4          |
| 4.3      | Held to maturity investments   | 1,973.9          | 1,798.0          |
| 4.4      | Loans and receivables  | 85,475.9         | 69,192.5         |
| 4.5      | Available for sale financial assets  | 159,667.6        | 173,701.1        |
| 4.6      | Financial assets at fair value through profit or loss<br>of which financial assets where the investment risk is borne by the policyholders and<br>related to pension funds | 64,385.5         | 67,401.7         |
|          |  | 40,359.4         | 41,351.4         |
| <b>5</b> | <b>RECEIVABLES</b>   | <b>14,464.6</b>  | <b>11,454.9</b>  |
| 5.1      | Receivables arising out of direct insurance operations   | 10,705.6         | 8,507.4          |
| 5.2      | Receivables arising out of reinsurance operations  | 1,031.3          | 945.0            |
| 5.3      | Other receivables  | 2,727.6          | 2,002.6          |
| <b>6</b> | <b>OTHER ASSETS</b>  | <b>17,023.8</b>  | <b>15,720.3</b>  |
| 6.1      | Non-current assets or disposal groups classified as held for sale  | 51.7             | 41.1             |
| 6.2      | Deferred acquisition costs   | 1,708.9          | 1,712.7          |
| 6.3      | Deferred tax assets  | 5,741.0          | 5,011.5          |
| 6.4      | Tax receivables  | 2,594.2          | 2,615.6          |
| 6.5      | Other assets   | 6,928.0          | 6,339.4          |
| <b>7</b> | <b>CASH AND CASH EQUIVALENTS</b>   | <b>12,154.3</b>  | <b>10,537.2</b>  |
|          | <b>TOTAL ASSETS</b>  | <b>389,007.3</b> | <b>383,938.4</b> |

## BALANCE SHEET - SHAREHOLDERS' EQUITY AND LIABILITIES

|          |   | 31/03/2009       | 31/12/2008       |
|----------|---|------------------|------------------|
| <b>1</b> | <b>SHAREHOLDERS' EQUITY</b>   | <b>15,082.6</b>  | <b>15,473.1</b>  |
| 1.1      | <b>Shareholders' equity attributable to the Group</b>   | <b>11,013.1</b>  | <b>11,312.8</b>  |
| 1.1.1    | Share capital and reserves  | 12,122.1         | 11,557.7         |
| 1.1.2    | Reserve for unrealized gains and losses on available for sale financial assets  | -1,212.7         | -1,105.7         |
| 1.1.3    | Result of the period  | 103.8            | 860.9            |
| 1.2      | <b>Shareholders' equity attributable to minority interests</b>  | <b>4,069.5</b>   | <b>4,160.3</b>   |
| <b>2</b> | <b>OTHER PROVISIONS</b>   | <b>2,030.8</b>   | <b>1,948.3</b>   |
| <b>3</b> | <b>INSURANCE PROVISIONS</b>   | <b>302,390.8</b> | <b>301,760.7</b> |
|          | of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds | 33,309.4         | 34,965.2         |
| <b>4</b> | <b>FINANCIAL LIABILITIES</b>  | <b>47,885.9</b>  | <b>46,730.5</b>  |
| 4.1      | Financial liabilities at fair value through profit or loss  | 9,082.6          | 9,773.3          |
|          | of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds             | 6,636.6          | 6,547.5          |
| 4.2      | Other financial liabilities   | 38,803.2         | 36,957.2         |
|          | of which subordinated liabilities   | 6,812.9          | 6,041.0          |
| <b>5</b> | <b>PAYABLES</b>   | <b>8,838.3</b>   | <b>7,179.9</b>   |
| 5.1      | Payables arising out of direct insurance operations   | 4,627.0          | 3,601.4          |
| 5.2      | Payables arising out of reinsurance operations  | 1,026.4          | 893.6            |
| 5.3      | Other payables  | 3,184.9          | 2,684.8          |
| <b>6</b> | <b>OTHER LIABILITIES</b>  | <b>12,778.8</b>  | <b>10,845.9</b>  |
| 6.1      | Liabilities directly associated with non-current assets and disposal groups classified as held for sale                         | 0.0              | 0.0              |
| 6.2      | Deferred tax liabilities  | 6,229.3          | 5,461.0          |
| 6.3      | Tax payables  | 1,123.0          | 893.1            |
| 6.4      | Other liabilities   | 5,426.6          | 4,491.8          |
|          | <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>   | <b>389,007.3</b> | <b>383,938.4</b> |

## PROFIT AND LOSS ACCOUNT

|          |   | 31/03/2009      | 31/03/2008      |
|----------|---|-----------------|-----------------|
| 1.1      | Net earned premiums   | 16,129.1        | 16,257.1        |
| 1.1.1    | Gross earned premiums   | 16,737.6        | 16,836.2        |
| 1.1.2    | Earned premiums ceded   | -608.6          | -579.0          |
| 1.2      | Fee and commission income and income from financial service activities  | 233.4           | 279.6           |
| 1.3      | Net income from financial instruments at fair value through profit or loss  | -1,017.4        | -3,760.7        |
|          | of which net income from financial instruments where the investment risk is borne by the policyholders and related to pension funds | -1,238.4        | -3,439.6        |
| 1.4      | Income from subsidiaries, associated companies and joint ventures   | 58.0            | 296.6           |
| 1.5      | Income from other financial instruments and land and buildings (investment properties)  | 3,647.6         | 3,677.4         |
| 1.6      | Other income  | 859.3           | 684.4           |
| <b>1</b> | <b>TOTAL INCOME</b>   | <b>19,910.0</b> | <b>17,434.5</b> |
| 2.1      | Net insurance benefits and claims   | 13,216.6        | 11,436.1        |
| 2.1.1    | Claims paid and change in insurance provisions  | 13,572.1        | 11,722.5        |
| 2.1.2    | Reinsurers' share   | -355.4          | -286.4          |
| 2.2      | Fee and commission expenses and expenses from financial service activities  | 83.6            | 94.9            |
| 2.3      | Expenses from subsidiaries, associated companies and joint ventures   | 0.5             | 0.1             |
| 2.4      | Expenses from other financial instruments and land and buildings (investment properties)  | 2,517.8         | 752.2           |
| 2.5      | Acquisition and administration costs  | 2,940.7         | 2,849.6         |
| 2.6      | Other expenses  | 929.6           | 992.2           |
| <b>2</b> | <b>TOTAL EXPENSES</b>   | <b>19,688.9</b> | <b>16,125.1</b> |
|          | <b>EARNINGS BEFORE TAXES</b>  | <b>221.1</b>    | <b>1,309.4</b>  |
| <b>3</b> | Income taxes  | 62.3            | 314.9           |
|          | <b>EARNINGS AFTER TAXES</b>   | <b>158.9</b>    | <b>994.5</b>    |
| <b>4</b> | <b>RESULT OF DISCONTINUED OPERATIONS</b>  | <b>0.0</b>      | <b>0.0</b>      |
|          | <b>CONSOLIDATED RESULT OF THE PERIOD</b>  | <b>158.9</b>    | <b>994.5</b>    |
|          | Result of the period attributable to the Group  | <b>103.8</b>    | <b>910.3</b>    |
|          | Result of the period attributable to minority interests   | <b>55.1</b>     | <b>84.2</b>     |